## REMARKS

Claims 1-22 remain pending in this application.

## Claim Rejections - 35 U.S.C. §102

The present invention relates to a gaming machine that provides a real-time graphical rendering of gaming events. The gaming machine utilizes physical object data, motion capture data, and simulation rule data, either alone or in combination, to simulate real-world physical phenomena. U.S. Pat. App. No. 10/657,650, p. 9, ll. 7-25. Physical object data may comprise "types of information about physical objects whose motions and interactions are to be simulated." *Id.*, p. 9, ll. 26-27. Non-limiting examples of physical object data include the "mass, dimensions, elasticity, and center of gravity of a simulated object." *Id.*, p. 9, ll. 27-28. Simulation rule data may comprise "a set of parameters describing how simulated objects should work together within a simulated environment to provide an entertaining activity for wagering." *Id.*, p. 10, ll. 15-17. Simulation rule data "comprises rule data designed to mimic as closely as possible activities within the real world." *Id.*, p. 10, ll. 17-19.

Claims 1-22 were rejected under 35 U.S.C. § 102(b) as being anticipated by Khosla, U.S. Pat. No. 6,080,063 ("Khosla"). The independent claims (claims 1, 8, 15, 22) recite several limitations not disclosed, taught, or suggested by Khosla. Specifically, independent claim 1 recites (a) "means for receiving a wager" and (b) "means for awarding a payoff based on an outcome of said gaming activity."

Independent claim 8 recites (a) "accepting a wager," (b) "determining if said game actions meet winning conditions," and (c) "awarding a payoff if said game actions meet winning conditions."

Independent claim 15 recites (a) "accepting a wager," (b)" determining an outcome of said interaction," and (c) "awarding a payoff if said outcome meets winning criteria."

Independent claim 22 recites (a) "accepting a wager," (b) "determining an outcome of said interaction," and (c) "awarding a payoff if said outcome meets winning criteria."

Thus, the claimed invention requires that a gaming machine be capable of accepting a wager and awarding a payout based on the outcome of the gaming actions. Khosla does not disclose, teach, or suggest at least the above limitations of independent claims 1, 8, 15, and 22. "A claim is anticipated only if each and every element as set forth in the claim is found, either expressly or inherently described, in a single prior art reference." *Verdegall Bros. v. Union Oil Co. of California*, 814 F.2d 628, 631 (Fed. Cir. 1987); MPEP 2131. Therefore, Khosla does not anticipate the claims of the present application.

Rather, Khosla discloses a game play system for simulating participation with a live event. Col. 3, Il. 34-35. Khosla discloses that the game play system includes sensors 110 at a live event 100 to gather data about the live event 100 to be used in a simulation. Col. 3, Il. 36-38. The data collected at the live event is input to a preprocessor 120 and transmitted across a network 130 that connects to a collection of remote computer systems 140, 142, 144. Col. 3, Il. 38-42; FIG. 1. The remote computers systems 140, 142, 144 generate simulations of the live event 150, 152, 154 that allow players 160, 162, 164 to interact with the live event simulation. Col. 3, Il. 42-50. Therefore Khosla allows a user to simulate participation in a live event, such as an auto race, essentially in real-time of the live event. Col. 2, Il. 27-50. Khosla thus allows a user to "effectively 'compete' with the real participants in the live event." Col. 2, Il. 51-52.

There is no teaching whatsoever in Khosla that the system disclosed therein may accept a wager or award a payoff based on the results of the simulation. Therefore, for at least these

reasons, independent claims 1, 8, 15, and 22 are not anticipated by Khosla. Thus, independent

claims 1, 8, 15, and 22 should be allowable. Dependent claims 2-7, 9-14, and 16-21, which

depend either directly or indirectly on independent claims 1, 8, 15, and 22 are not anticipated by

Khosla for at least the same reasons, and should be in a condition for allowance.

Conclusion

In view of the above, each of the presently pending claims in this application is believed

to be in immediate condition for allowance. Accordingly, the Examiner is respectfully requested

to pass this application to issue.

It is believed that no fee is presently due; however, should any additional fees be required

(except for payment of the issue fee), the Commissioner is authorized to deduct the fees from

Jenkens & Gilchrist, P.C. Deposit Account No. 10-0447, Order No. 47079-00134USPT.

Dated: February 3, 2005

Respectfully submitted,

Mark R. Anderson

Registration No.: 54,656

JENKENS & GILCHRIST, A PROFESSIONAL

Karin

CORPORATION

225 W. Washington, Ste. 2600

Chicago, Illinois 60606-3418

(312) 425-3900

Attorneys For Applicant

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